GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2068
ANSWERED ON:06.12.2005
FOREIGN DIRECT INVESTMENT IN FOOD PROCESSING SECTOR
Saradgi Shri Iqbal Ahmed

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes to allow Foreign Direct Investment (FDI) in Food Processing Sectors;

(b) if so, the details thereof;

(c) the number of foreign countries who have shown keen interest to invest in India in the food product / Food Processing Industries;

(d) whether any agreement in this regard has been signed;

(e) if so, the details thereof; and

(f) the time by which a final decision for allowing foreign direct investment in food processing is likely to be taken?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) to (f): As per the extant policy, Foreign Direct Investment (FDI) up to 100% is permitted in the food processing industry sector. Country-wise FDI inflows for the past three years is shown in the enclosed statement. In the liberalized economic environment, investment decisions are taken by the entrepreneurs based on techno-economic and commercial considerations.

STATEMENT REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 2068 FOR ANSWER ON 6-12-2005

COUNTRY-WISE BREAK-UP FOR FDI INFLOWS IN THE FOOD PROCESSING SECTOR FROM JANUARY 2002 To SEPTEMBER 2005

(Amount in Rupees Crore)

S.No	Country	Amount of Foreign Direct Investment Inflows
1	Australia	12.48
2	Bahamas	1.94
3	Belgium	0.22
4	Canada	0.68
5	Denmark	6.50
6	France	5.05
7	Germany	181.77
8	Hongkong	24.01
9	Hungary	0.10
10	Italy	0.34
11	Japan	17.60
12	Korea(South)	85.84
13	Kuwait	0.73
14	Luxembourg	0.42
15	Malaysia	0.09
16	Mauritius	943.93
17	Netherlands	26.16
18	Phillipines	0.25
19	Russia	0.02
20	Saudi Arabia	27.27
21	Singapore	17.41
22	Spain	1.44
23	Sri Lanka	0.01
24	Sweden	1.19

25	Switzerland	228.58
26	U.A.E.	3.63
27	U.K.	2.91
28	U.S.A.	201.00
29	British Virginia	3.58
30	Unindicated Country	2.61
31	Gibraltar	0.02
	Grand Total	1797.78

Note :
1. Includes `equity capital component` only.